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Addendum

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Report of the Joint Inspection Unit (item 5)

Private sector involvement and cooperation with the United Nations system

1. At its 24th meeting, on 23 June 2000, the Committee considered the report of the Joint Inspection Unit entitled "Private sector involvement and cooperation with the United Nations system" (A/54/700) and the comments of the Administrative Committee on Coordination thereon (A/54/700/Add.1).

2. The Inspector of the Joint Inspection Unit, Francesco Mezzalama, introduced the report of the Unit, and the representative of the Secretary-General introduced the comments of the ACC thereon. The Inspector and representatives of the Secretary-General responded to questions raised during the consideration of the report.

Discussion

3. The timely preparation of the report was welcomed as it provided the first comprehensive picture available on a subject of growing relevance. The report was described as very informative, and specific mention was made of the usefulness of reference materials contained in its annexes. The report was thus seen as contributing to greater transparency on a question of current interest and as clarifying the intent and scope of recent initiatives taken in this field. The document was also considered to be thought-provoking, as shown by the extensive debate on it in the Committee.

4. The diversity of the mandates and activities of the various components of the United Nations system was stressed. It was observed that a necessary degree of flexibility should be preserved and excessively rigid procedures avoided. However, the existence of risks associated with increased links with the private sector were underlined. It was stated that great caution should be exercised in protecting the

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integrity and independence of the Organization and in avoiding conflicts of interest and undue influence. The private sector, it was observed, was unlikely to cooperate with the United Nations for purely altruistic motives. It was noted, however, that certain activities of the private sector were directly in consonance with the goals of the United Nations, and specific mention was made of its contribution to the eradication of endemic diseases.

5. Concern was expressed at the perceived increased reliance of organizations of the United Nations system on financial support from the private sector, which was considered to be directly related to the decrease in public funds available for development assistance. A strengthened cooperation with the private sector should not occur without the close involvement of Governments concerned, and the whole process should be carefully monitored by the relevant governing bodies and subject to intergovernmental oversight.

6. The view was expressed that the growing cooperation between the United Nations and the private sector should be pursued within a defined framework with clear objectives. The need was underlined for establishing a working group to examine this issue in depth and submit recommendations to the General Assembly. In this context, it was also observed that the global compact of the Secretary-General should be discussed by the relevant intergovernmental forum. Governments should provide guidance in making the global compact consistent with the national policies of Member States.

Conclusions and recommendations

7. The Committee noted the importance and timeliness of the subject of the report.

8. The envisaged increase in relations between organizations of the United Nations system and the private sector should take into account the integrity, independence and international character of the former. The Committee emphasized that cooperation with the private sector should be strictly in accordance with the relevant regulations and rules of the Organization and decisions of the General Assembly.

9. The Committee welcomed the report of the Joint Inspection Unit (A/54/700), with the following observations:

> **The Committee stressed the need for the organization to consider guidelines through intergovernmental process on relations with the private sector and to endeavour to ensure consistency of policy throughout the system. At the same time, it recognized the diversity of the mandates and activities of the various organizations of the system and the need to preserve a degree of flexibility.**

10. The Committee recommended that the General Assembly and the Economic and Social Council draw the attention of the governing bodies of all United Nations system organizations to the report of the Joint Inspection Unit on private sector involvement and cooperation with the United Nations system and to the importance and timeliness of the subject of the report.

11. The Committee also expressed the wish to be informed on further developments on this issue throughout the system.